



General Assembly

January Session, 2005

***Raised Bill No. 6963***

LCO No. 4844

\* \_\_\_\_\_HB06963JUD\_\_\_041505\_\_\_\_\_\*

Referred to Committee on Judiciary

Introduced by:  
(JUD)

***AN ACT CONCERNING SERVICES THAT MAY BE PROVIDED BY  
PROFESSIONAL CORPORATIONS AND LIMITED LIABILITY  
COMPANIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 33-182a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 As used in this chapter:

4 (1) "Professional service" means any type of service to the public  
5 that requires that members of a profession rendering such service  
6 obtain a license or other legal authorization as a condition precedent to  
7 the rendition thereof, limited to the professional services rendered by  
8 dentists, natureopaths, chiropractors, physicians and surgeons,  
9 physician assistants, doctors of dentistry, physical therapists,  
10 occupational therapists, podiatrists, optometrists, nurses,  
11 nurse-midwives, veterinarians, pharmacists, architects, professional  
12 engineers, or jointly by architects and professional engineers,  
13 landscape architects, real estate brokers, insurance producers, certified  
14 public accountants and public accountants, land surveyors,

15 psychologists, attorneys-at-law, licensed marital and family therapists,  
16 licensed professional counselors and licensed clinical social workers.

17 (2) "Professional corporation" means (A) a corporation which is  
18 organized under this chapter for the sole and specific purpose of  
19 rendering professional service and which has as its shareholders only  
20 individuals who themselves are licensed or otherwise legally  
21 authorized to render the same professional service as the corporation,  
22 (B) a corporation which is organized under this chapter for the sole  
23 and specific purpose of rendering professional services rendered by  
24 members of two or more of the following professions: Psychology,  
25 marital and family therapy, social work, nursing, professional  
26 counseling and psychiatry and that has as its shareholders only  
27 individuals who themselves are licensed or otherwise legally  
28 authorized to render one of the professional services for which the  
29 corporation was specifically incorporated, (C) a corporation which is  
30 organized under this chapter for the sole and specific purpose of  
31 rendering professional services by physicians specializing in  
32 ophthalmology and optometrists and that has as its shareholders only  
33 individuals who themselves are licensed or otherwise legally  
34 authorized to render one of the professional services for which the  
35 corporation was specifically incorporated, [or] (D) a corporation which  
36 is organized under this chapter for the sole and specific purpose of  
37 rendering professional services by (i) physicians, and (ii) physician  
38 assistants or advanced practice registered nurses, or both, and that has  
39 as its shareholders only individuals who themselves are licensed or  
40 otherwise legally authorized to render one of the professional services  
41 for which the corporation was specifically incorporated, or (E) a  
42 corporation which is organized under this chapter for the sole and  
43 specific purpose of rendering professional services by physicians and  
44 chiropractors and that has as its shareholders only individuals who  
45 themselves are licensed or otherwise legally authorized to render one  
46 of the professional services for which the corporation was specifically  
47 incorporated.

48 (3) "Shareholder" means the holder of any shares of the capital stock  
49 of a professional corporation. The shareholders of a professional  
50 corporation may be designated as "members" in its certificate of  
51 incorporation, bylaws and other corporate documents and may be  
52 referred to, for all purposes, as "members", whether or not so  
53 designated; and the term "shareholder" or "shareholders", when used  
54 in the general statutes in reference to the shareholders of a professional  
55 corporation, shall include such "members".

56 Sec. 2. Section 33-182c of the general statutes is repealed and the  
57 following is substituted in lieu thereof (*Effective October 1, 2005*):

58 (a) Any person or group of persons licensed or otherwise legally  
59 authorized to render the same professional services may organize and  
60 become a shareholder or shareholders of a professional corporation for  
61 profit under the provisions of chapter 601, for the sole and specific  
62 purpose of rendering the same professional service.

63 (b) Any group of persons, each member of which is licensed or  
64 otherwise legally authorized to render any of the professional services  
65 specified in subparagraph (B), (C), [or] (D) or (E) of subdivision (2) of  
66 section 33-182a, as amended by this act, may organize and become  
67 shareholders of a professional corporation for profit under the  
68 provisions of chapter 601, for the sole and specific purpose of  
69 rendering two or more of the professional services specified in said  
70 subparagraph (B), (C), [or] (D) or (E), respectively.

71 (c) Persons licensed to render the same professional services in  
72 another jurisdiction shall not be shareholders, directors or officers of a  
73 professional corporation if such persons (1) unlawfully practice their  
74 profession in this state, or (2) direct or control any person licensed to  
75 practice such profession in this state concerning the delivery of  
76 professional services or the exercise of professional judgment.

77 Sec. 3. Section 34-119 of the general statutes is repealed and the  
78 following is substituted in lieu thereof (*Effective October 1, 2005*):

79 (a) A limited liability company may be formed under sections 34-  
80 100 to 34-242, inclusive, for the transaction of any business or the  
81 promotion of any purpose which may be lawfully carried on by a  
82 limited liability company except that of a state bank and trust  
83 company, savings bank, industrial bank or building and loan  
84 association.

85 (b) Except as otherwise provided in this subsection, a limited  
86 liability company may be formed to render professional services  
87 provided: (1) Each member of the limited liability company must be  
88 licensed or otherwise authorized by law in this state or any other  
89 jurisdiction to render such professional services; (2) the limited liability  
90 company will render only one specific type of professional services  
91 and services ancillary to them and may not engage in any business  
92 other than the rendering of professional services for which it was  
93 formed to render and services ancillary to them; and (3) the limited  
94 liability company may render its professional services in this state only  
95 through its members, managers, employees and agents who are  
96 licensed or otherwise legally authorized to render such professional  
97 services within this state. A limited liability company that will render  
98 professional services by licensed or certified alcohol and drug  
99 counselors may only be formed pursuant to subdivision (2) of  
100 subsection (c) of this section.

101 (c) A limited liability company may be formed to render  
102 professional services rendered by members of two or more of the  
103 following professions: (1) Psychology, marital and family therapy,  
104 social work, nursing and psychiatry; [or] (2) medicine and surgery,  
105 occupational therapy, social work and alcohol and drug counseling;  
106 and (3) medicine and surgery and chiropractic; provided (A) each  
107 member of the limited liability company must be licensed or otherwise  
108 authorized by law in this state or any other jurisdiction to render any  
109 of the types of professional services specified in subdivision (1), [or] (2)  
110 or (3) of this subsection, (B) the limited liability company will render  
111 only the types of professional services specified in subdivision (1), [or]

112 (2) or (3) of this subsection and services ancillary to them and may not  
113 engage in any business other than the rendering of professional  
114 services for which it was formed to render and services ancillary to  
115 them, and (C) the limited liability company may render its professional  
116 services in this state only through its members, managers, employees  
117 and agents who are licensed or otherwise legally authorized to render  
118 any of the types of professional services specified in subdivision (1),  
119 [or] (2) or (3) of this subsection within this state.

120 (d) No limited liability company formed under sections 34-100 to 34-  
121 242, inclusive, shall have power to transact in this state the business of  
122 a telegraph company, gas, electric, electric distribution or water  
123 company, or cemetery corporation, or of any company, except a  
124 telephone company, requiring the right to take and condemn lands or  
125 to occupy the public highways of this state.

126 (e) No limited liability company may be formed under sections 34-  
127 100 to 34-242, inclusive, for the purpose of transacting the business of  
128 an insurance company or a surety or indemnity company, unless (1) it  
129 is an affiliate of an insurance company chartered by, incorporated,  
130 organized or constituted within or under the laws of this state; and (2)  
131 at the time of the filing of its articles of organization, there is also filed  
132 a certificate issued by the Insurance Commissioner pursuant to section  
133 33-646 authorizing the formation of the limited liability company. No  
134 limited liability company formed under sections 34-100 to 34-242,  
135 inclusive, shall have power to transact in this state the business of any  
136 insurance company or a surety or indemnity company until it has  
137 procured a license from the Insurance Commissioner in accordance  
138 with the provisions of section 38a-41.

139 (f) Nothing in sections 34-100 to 34-242, inclusive, shall be construed  
140 to authorize a limited liability company formed under said sections to  
141 transact any business except in compliance with any laws of this state  
142 regulating or otherwise applying to the same. The provisions of  
143 sections 34-100 to 34-242, inclusive, shall govern all limited liability

144 companies, except that where by law special provisions are made in  
145 the case of a designated class or classes of limited liability companies  
146 governing the limited liability company procedure thereof in any  
147 respect, limiting or extending the powers thereof, conditioning action  
148 upon the approval of any agency of the state or otherwise prescribing  
149 the conduct of such limited liability companies, such procedure,  
150 power, action or conduct shall be governed by such special provisions  
151 whether or not such limited liability companies are formed under said  
152 sections.

153 (g) Nothing in this section shall prohibit the formation of a limited  
154 liability company under sections 34-100 to 34-242, inclusive, for the  
155 transaction of any business or for the promotion of any purpose in any  
156 other state if not prohibited by the laws thereof.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	33-182a
Sec. 2	<i>October 1, 2005</i>	33-182c
Sec. 3	<i>October 1, 2005</i>	34-119

***JUD***      *Joint Favorable*